

# GPH SECURITIES (PVT) LTD

Trading Right Entitlement Certificate (TREC) Holder-PSX/262  
Pakistan Stock Exchange Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS 2024

The Board of Director is delighted to present Annual Report and the Financial Statements of the company for the year ended June 30, 2024.

### OPERATING RESULT

During the year under review, The revenue was Rs. 3,213,529/- compared to last year, which was Rs. 2,159,846/- The position of appropriation is as follows:

	2024 Rupees	2023 Rupees
Profit / (loss) before taxation	14,480,527	(4,552,837)
Provision for taxation		
For the year	(374,809)	(339,817)
Prior years lapsed of advance tax Deffered	(1,155,866)	(1,249,486)
	-	-
Profit / (Loss) after taxation	12,949,852	(6,142,140)
Profit / (Loss) available for appropriation	-	-
Accumulated Profit / (Loss)	(41,069,643)	(48,158,843)
Income tax paid	(662,193)	(481,042)
Earning per share	12.95	(6.14)

The remuneration paid to chief executives/ director(s) and variation therein has been disclosed in note no. 22 to the financial statements.

### ACKNOWLEDEGEMENT

The board places on record its apprepration of the support of our valued customers. I would like to highlight the hardwork put in by the employees of the company.

We are confident they will continue to show more dedication in the days ahead.

Lahore

Dated: 14 September, 2024



*Humayun Sheikhzadeh*

Chief Executive



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GPH SECURITIES (PRIVATE) LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements **GPH SECURITIES (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the international standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but those not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with IASs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance and the board of directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

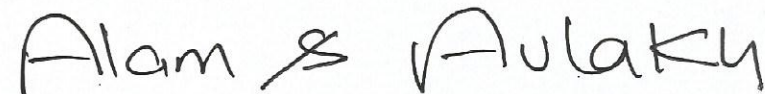
Based on our audit, we further report that in our opinion:

- (a) Proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX) of 2017);
- (b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- (c) Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).
- (e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015.

#### Other Matter

The financial statements of the **GPH SECURITIES (PRIVATE) LIMITED** for the year ended June 30, 2023 were audited by M/s IECNet S.K.S.S.S. Chartered Accountants who expressed an unmodified opinion on those statements on October 06, 2023.

The engagement partner on audit resulting in this independent auditor's report is Muhammad Naeem.

 **Alam & Aulakh**  
Chartered Accountants

ALAM & AULAKH  
CHARTERED ACCOUNTANTS

Place: Lahore  
Date: September 14, 2024

UDIN: AR202410190g6duU2CrW

**GPH Securities (Pvt.) Limited**  
**Statement of Financial Position**  
As at June 30, 2024

		2024	2023
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	5,334,562	5,631,199
Intangible assets	5	2,500,000	2,500,000
Long term investments	6	-	-
Long term deposits	7	100,000	100,000
		<b>7,934,562</b>	<b>8,231,199</b>
<b>Current assets</b>			
Prepayments and advances	8	2,026,591	1,683,952
Short term investment	9	35,270,119	29,814,801
Cash and bank balances	10	14,272,852	6,859,911
		<b>51,569,562</b>	<b>38,358,664</b>
		<b>59,504,124</b>	<b>46,589,863</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital	11	100,000,000	100,000,000
<b>Capital reserve</b>			
Unrealized deficit on re-measurement of investments measured at FVOCI		-	(5,860,652)
<b>Revenue reserve</b>			
Unappropriated loss		(41,069,643)	(48,158,843)
<b>Total equity</b>		<b>58,930,357</b>	<b>45,980,505</b>
<b>Current liabilities</b>			
Trade and other payables	12	573,767	609,358
Current tax liability	13	-	-
		<b>573,767</b>	<b>609,358</b>
<b>Contingencies and commitments</b>			
	14	-	-
		<b>59,504,124</b>	<b>46,589,863</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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*Husnain Shaljoada*

Chief Executive Officer



*Asim Javed*

Director



**GPH Securities (Pvt.) Limited**  
**Statement of Profit or Loss**  
*For the year ended June 30, 2024*

	Note	2024 Rupees	2023 Rupees
Operating revenue	15	3,213,529	2,519,846
Loss on sale of short term investments		(557,284)	(253,346)
Unrealized gain/(loss) on remeasurement of investments classified at FVTPL		14,657,396	(3,503,668)
		<u>17,313,641</u>	<u>(1,237,168)</u>
Other income	16	2,169,880	1,085,023
Operating and administrative expenses	17	(5,002,060)	(4,400,224)
<b>Operating profit / (loss)</b>		<u>14,481,461</u>	<u>(4,552,369)</u>
Finance costs	18	(934)	(468)
<b>Profit / (loss) before taxation</b>		<u>14,480,527</u>	<u>(4,552,837)</u>
Income tax expense	19	(1,530,675)	(1,589,303)
<b>Profit/(loss) for the year</b>		<u>12,949,852</u>	<u>(6,142,140)</u>
<b>Earnings/(loss) per share - basic</b>	20	12.95	(6.14)

*The annexed notes from 1 to 27 form an integral part of these financial statements.*

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*Humayun Shohjada*

Chief Executive Officer



*Asad Jalil*

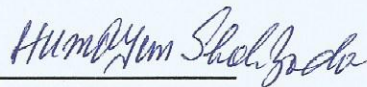
Director

GPH Securities (Pvt.) Limited  
Statement of Comprehensive Income  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
Profit/(loss) for the year		12,949,852	(6,142,140)
<b>Other comprehensive income /(loss)</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Unrealized loss during the period in the market value of investments measured at FVOCI		-	(7,379,808)
<b>Total comprehensive income/(loss) for the year</b>		<u>12,949,852</u>	<u>(13,521,948)</u>

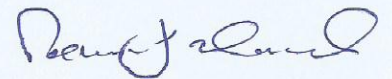
The annexed notes from 1 to 27 form an integral part of these financial statements.

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Chief Executive Officer





Director



**GPH Securities (Pvt.) Limited**  
**Statement of Cash Flows**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before taxation		14,480,527	(4,552,837)
<b>Adjustments:</b>			
Depreciation	4	296,637	317,101
Unrealized (gain)/loss on short-term investments		(14,657,396)	3,503,668
Realized loss on sale of short-term investments		557,284	253,346
Interest income	16	(2,010,168)	(1,015,303)
Dividend income	15	(2,236,476)	(2,265,286)
		(18,050,119)	793,527
<b>Operating loss before working capital changes</b>		<b>(3,569,592)</b>	<b>(3,759,310)</b>
<b>(Increase)/decrease in current assets</b>			
Trade debts-net		-	177,482
Prepayments & Advances	8	(1,211,121)	1,214,589
<b>Decrease in current liabilities</b>			
Trade and other payables	12	(35,591)	(6,933,848)
		(1,246,712)	(5,541,777)
<b>Cash used in operations</b>		<b>(4,816,304)</b>	<b>(9,301,087)</b>
Interest received	16	2,010,168	1,015,303
Dividends received	15	2,236,476	2,265,286
Taxes paid	8	(662,193)	(481,042)
		3,584,451	2,799,547
<b>Net cash used in operating activities</b>		<b>(1,231,853)</b>	<b>(6,501,540)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from net sales of / (acquisition of) short-term investments-net	9	8,644,794	(149,952)
Acquisition of property and equipment	4	-	(2,800)
<b>Net cash generated from / (used in) investing activities</b>		<b>8,644,794</b>	<b>(152,752)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term deposits	7	-	400,000
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>400,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,412,941</b>	<b>(6,254,292)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6,859,911</b>	<b>13,114,203</b>
<b>Cash and cash equivalents at the end of the year</b>	13	<b>14,272,852</b>	<b>6,859,911</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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*Humayun Shahzade*

Chief Executive Officer



*Neem Jaland*

Director



**GPH Securities (Pvt.) Limited**  
**Statement of Changes in Equity**  
*For the year ended June 30, 2024*

	Issued, subscribed and paid-up capital	Unappropriat ed loss	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
	.....Rupees.....			
<b>Balance as at June 30, 2022</b>	100,000,000	(42,016,704)	1,519,156	59,502,452
<b>Total comprehensive income / (loss) for the year</b>				
Loss for the year	-	(6,142,140)	-	(6,142,140)
Other comprehensive loss	-	-	(7,379,808)	(7,379,808)
	-	(6,142,140)	(7,379,808)	(13,521,948)
<b>Balance as at June 30, 2023</b>	<u>100,000,000</u>	<u>(48,158,843)</u>	<u>(5,860,652)</u>	<u>45,980,505</u>
<b>Total comprehensive income / (loss) for the year</b>				
Profit for the period	-	12,949,852	-	12,949,852
Transfer of unrealized deficit on re- measurement of investments measured at FVOCI to retained earnings upon	-	(5,860,652)	5,860,652	-
Other comprehensive income	-	-	-	-
	-	7,089,200	5,860,652	12,949,852
<b>Balance as at June 30, 2024</b>	<u>100,000,000</u>	<u>(41,069,643)</u>	<u>-</u>	<u>58,930,357</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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**Chief Executive Officer**



  
**Director**



**GPH Securities (Pvt.) Limited**

**Notes To The Financial Statements**

*For the year ended June 30, 2024*

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**1 COMPANY AND ITS OPERATION**

- 1.1** The company was incorporated as Private Limited Company on May 24, 2007 under the repealed Companies Ordinance, 1984 (Now Companies Act 2017). The company is engaged in the business of share brokerage, purchase of stocks and investment in securities. The registered office of the company is situated at Room No. 202, 2nd Floor, LSE Plaza, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

**2.4 Method of preparation of statement of cash flows**

The statement of cash flows is prepared using indirect method.

**2.5 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
*For the year ended June 30, 2024*

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Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment (note 3.1 and 4)
- Useful lives, residual values and amortization method of intangible assets (note 3.2)
- Estimation of provisions (note 3.10)
- Estimation of contingent liabilities (note 3.11 and 14)
- Current income tax expense, provision for current tax and recognition of deferred tax asset/liability (note 3.8, 13 and 19)

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in note 4 to the financial statements. Depreciation on additions is charged for the month in which an asset is acquired while no depreciation is charged for the month in which an asset is disposed off. Normal repair and maintenance is charged to revenue as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to profit or loss.

**3.2 INTANGIBLE ASSETS**

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

**3.2.1 Membership card and offices**

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

**3.3 FINANCIAL ASSETS**

Financial assets are classified in the following categories: Held-to-maturity, at fair value through profit or loss, available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**3.3.1 Held to Maturity**

The investments with fixed maturity, if any, that the company has to positive intent and ability to hold to maturity. Held to maturity investments are initially measured at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest rate method less impairment, if any. These are classified as current and non-current assets in accordance with nature of investment.

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**GPH Securities (Pvt.) Limited**

**Notes To The Financial Statements**

*For the year ended June 30, 2024*

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**3.3.2 At fair value through profit or loss**

Investments classified as held for trading are included in the category of financial assets at fair value through profit or loss. These are listed securities that are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

All investments are initially recognized at cost, being the fair value of the consideration given excluding acquisition charges with the investment. After initial recognition, investments are measured at their fair values. Unrealized gains and losses on investments are recognized in profit or loss of the period.

Fair values of these securities representing listed equity and debt securities are determined by reference to stock exchange quoted market prices at the close of the business on reporting date.

**3.3.3 Available-for-sale**

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial recognition at cost, these are premeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un-quoted companies is determined by applying the appropriate valuation techniques. Gains or losses on available-for-sale investments are recognized directly in other comprehensive income until the investments are sold or disposed-off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously recognized in other comprehensive income, is re-classified from equity to profit or loss as re-classification adjustment.

**3.3.4 Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the statement of financial position.

**3.4 FINANCIAL LIABILITIES**

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

**3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3.6 PREPAYMENTS AND ADVANCES**

These are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets.

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
*For the year ended June 30, 2024*

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**3.7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

**3.8 TAXATION**

**Current**

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

**Deferred**

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

**3.9 TRADE AND OTHER PAYABLES**

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

**3.10 PROVISIONS**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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**GPH Securities (Pvt.) Limited**

**Notes To The Financial Statements**

*For the year ended June 30, 2024*

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As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

**3.11 CONTINGENT LIABILITIES**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**3.13 REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.

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**GPH Securities (Pvt.) Limited**

**Notes To The Financial Statements**

*For the year ended June 30, 2024*

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- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

**3.14 BASIC AND DILUTED EARNINGS PER SHARE**

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

**3.15 RELATED PARTY TRANSACTIONS**

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements. Non-arm's length transactions are made after obtaining the approval from board of directors.

**3.16 TRADE DATE ACCOUNTING**

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>5 INTANGIBLE ASSETS</b>			
Trading Rights Entitlement Certificate ("TREC")	5.1	<u>2,500,000</u>	<u>2,500,000</u>
		<u>2,500,000</u>	<u>2,500,000</u>
<p><b>5.1</b> Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.</p> <p>The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IFRS for SMEs. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. PSX vide notice. PSX/N-225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.</p>			
<b>6 LONG-TERM INVESTMENTS</b>			
<b>Investments at fair value through OCI</b>			
LSE financial services limited (unquoted) - at fair value	6.1	-	16,406,874
Adjustment for remeasurement to fair value		-	-
Shares transferred to short term investment		-	(16,406,874)
		<u>-</u>	<u>-</u>
<p><b>6.1</b> During the year ended June 30,2023, the company has received 842,810 shares of LSE Venture Limited at the ratio of 998.6205 shares of LSE Venture Limited against every 1000 shares of LSE Financial Services Limited and under the scheme of compromises, arrangements and reconstruction as envisaged under the provisions of the Companies Act, 2017. LSE Financial Services Limited also issued bonus shares of 295,535 of LSE Proptech Limited. Due to change in investments from unquoted to quoted shares, the company has reclassified these investments from available for sale to fair value through profit or loss and respective accumulated reserve has been transferred to unappropriated profit or loss. Company indent to dispose of the investment in due course of time, it was re-classified as a Short term investment.</p>			
<b>7 LONG-TERM DEPOSITS</b>			
Central Depository Company of Pakistan Limited		<u>100,000</u>	<u>100,000</u>
		<u>100,000</u>	<u>100,000</u>
<b>8 PREPAYMENTS AND ADVANCES</b>			
Receivable form Eclear Services Limited		1,301,948	90,828
Income tax refundable	8.1	<u>724,643</u>	<u>1,593,124</u>
		<u>2,026,591</u>	<u>1,683,952</u>
<b>8.1 INCOME TAX REFUNDABLE</b>			
Balance as at July 1,		1,593,124	2,701,385
Add: Current year additions		<u>662,193</u>	<u>481,042</u>
		<u>2,255,317</u>	<u>3,182,427</u>
Less: Adjustment against provision for taxation		(374,809)	(339,817)
Adjustment of prior years lapsed of advance tax		<u>(1,155,866)</u>	<u>(1,249,486)</u>
<b>Balance as at June 30,</b>		<u>724,643</u>	<u>1,593,124</u>

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>9 SHORT TERM INVESTMENT</b>			
<b>Investments at fair value through profit or loss</b>			
<b>Investments in listed securities (other than LSEVL and LSECL)</b>			
Value as at July 1,		20,818,132	24,394,797
Purchase/sale-net		(4,347,402)	180,349
Realized Gain/(loss)		1,865,047	(253,346)
Unrealized Gain/(loss)		15,188,592	(3,503,668)
Value as at June 30,		33,524,369	20,818,132
<b>Shares of LSEVL</b>			
Value as at July 1,		7,585,290	12,147,352
Purchase/sale-net		(4,304,761)	-
Realized loss on disposal of shares-charged to P&L		(2,422,331)	-
Un realized gain/(loss) on remeasurement of Investment-OCI		-	(4,562,062)
Un realized gain/(loss) on remeasurement of Investment-P&L		123,620	-
Value as at June 30,		981,818	7,585,290
<b>Shares of LSECL</b>			
Value as at July 1,		1,411,379	4,259,522
Purchase/sale-net		7,369	(15,123)
Realized loss on disposal of shares-charged to P&L		-	(15,274)
Un realized gain/(loss) on remeasurement of Investment-OCI		-	(2,817,746)
Un realized gain/(loss) on remeasurement of Investment-P&L		(654,816)	-
Value as at June 30,		763,932	1,411,379
		1,745,750	8,996,669
		35,270,119	29,814,801
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		26,438	21,461
<b>Cash at bank</b>			
Current accounts		213,905	214,048
Savings accounts	10.1	14,032,509	6,624,402
		14,272,852	6,859,911
10.1 Saving account carries markup at the rate of 17.15% per annum (2023: 12% to 19%) per annum.			
<b>11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
<b>11.1 Authorized capital</b>			
1,000,000 (June 30, 2023: 1,000,000) ordinary shares of PKR 100 each.		100,000,000	100,000,000
<b>11.2 Issued, subscribed and paid-up share capital</b>			
1,000,000 (June 30, 2023: 1,000,000) ordinary shares of PKR 100/- each, issued for cash		100,000,000	100,000,000
		100,000,000	100,000,000

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>11.3 Reconciliation of number of shares outstanding shares</b>			
Number of shares outstanding at the beginning of the year		1,000,000	1,000,000
Issued for cash		-	-
Issued for consideration other than cash		-	-
Number of shares outstanding at the end of the year		<u>1,000,000</u>	<u>1,000,000</u>
<b>11.4</b> The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.			
<b>12 TRADE AND OTHER PAYABLES</b>			
Auditor's remuneration payable		86,227	150,000
Other payables		29,235	3,638
Accrued expenses		458,305	455,720
		<u>573,767</u>	<u>609,358</u>
<b>13 CURRENT TAX LIABILITY</b>			
Balance as at July 1,		-	-
Add: Current year provision		374,809	339,817
		<u>374,809</u>	<u>339,817</u>
Less: Adjustment against previous year advance tax		-	-
Adjustment against current year advance tax		(374,809)	(339,817)
<b>Balance as at June 30,</b>		<u>-</u>	<u>-</u>
<b>14 CONTINGENCIES AND COMMITMENTS</b>			
<b>16.1</b> There is no contingencies or commitments of Company as on reporting date (June 30, 2023: Nil).			
<b>15 OPERATING REVENUE</b>			
Brokerage income		1,133,381	295,290
Less: Sales tax on services		(156,328)	(40,730)
Net Brokerage Commission		977,053	254,560
Dividend income		2,236,476	2,265,286
		<u>3,213,529</u>	<u>2,519,846</u>
<b>16 OTHER INCOME</b>			
<b>Income from non-financial assets/liabilities</b>			
Miscellaneous income		-	54,229
Mark up on Eclear		159,712	15,491
Mark-up on bank balances		2,010,168	1,015,303
		<u>2,169,880</u>	<u>1,085,023</u>

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>17 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		2,160,000	1,920,000
Staff salaries and other benefits		1,088,500	1,007,850
Electricity, water and gas		250,869	190,855
Travelling/ conveyance/ vehicle running/ maintenance		19,950	12,600
Communication		52,022	50,963
Repair and maintenance		207,991	3,800
Stationery, printing, photocopies and office supplies		28,132	26,476
CDC, PSX, NCCPL, EClear service charges		399,466	538,228
Auditors remuneration	17.1.	86,227	150,000
Rates, taxes and cess		2,608	15,311
Fee and subscription		6,300	-
Legal and professional charges		89,811	70,000
Other expenses		310,668	94,157
Insurance		2,879	2,883
Depreciation	5	296,637	317,101
		<u>5,002,060</u>	<u>4,400,224</u>
<b>17.1 Auditor's remuneration</b>			
Statutory audit		71,227	150,000
Out of pocket expenses		15,000	-
		<u>86,227</u>	<u>150,000</u>
<b>18. FINANCE COSTS</b>			
Bank charges		934	468
		<u>934</u>	<u>468</u>
<b>19. INCOME TAX EXPENSE</b>			
Current tax expense / (income)			
for the year		374,809	339,817
prior years lapsed of advance tax		1,155,866	1,249,486
		<u>1,530,675</u>	<u>1,589,303</u>

The tax provision made in the financial statements is considered sufficient. Defferred Tax Asset was not accounted for due to future outcome of profits.

**20. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing profit after tax for the year by the weighted average number of shares outstanding during the period, as follows:

Profit / (loss) after taxation, attributable to ordinary shareholders	12,949,852	(6,142,140)
Weighted average number of ordinary shares in issue during the year	1,000,000	1,000,000
Earnings per share	12.95	(6.14)

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>21 Financial instruments</b>			
<b>Financial assets</b>			
<b>At amortized cost</b>			
Long term deposits		100,000	100,000
Cash and bank balances		<u>14,272,852</u>	<u>6,859,911</u>
		<u>14,372,852</u>	<u>6,959,911</u>
<b>Fair value through P&amp;L</b>			
Short term investment		<u>35,270,119</u>	<u>20,818,132</u>
		<u>35,270,119</u>	<u>20,818,132</u>
<b>Fair value through OCI</b>			
Short term investment		-	8,996,669
		-	8,996,669
<b>Total financial assets</b>		<u>49,642,971</u>	<u>36,774,712</u>
<b>Financial liabilities</b>			
<b>At amortized cost</b>			
Trade and other payables		<u>573,767</u>	<u>609,358</u>
<b>Total financial liabilities</b>		<u>573,767</u>	<u>609,358</u>

**22 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES**

Managerial remuneration	No of Persons		
Chief Executive Officer	1	1,080,000	960,000
Director	1	<u>1,080,000</u>	<u>960,000</u>
		<u>2,160,000</u>	<u>1,920,000</u>

Executive means an employee, other than chief executive officer and directors, whose annual gross salary equals or exceed Rs. 1,200,000 during a financial year. There was no person employed during the year whose gross salary exceeds Rs. 1,200,000 per annum.

**23 NUMBER OF EMPLOYEES**

	2024 Numbers	2023 Numbers
Number of employees as at 30 June	2	2
Average number of employees during the year	2	2

**24 RELATED PARTY TRANSACTIONS**

Related parties from the Company's perspective comprise of key management personnel, directors and key shareholders of the Company. There are no transactions with related parties, other than those which have specifically been disclosed else where in these financial statements.

**25 EVENTS AFTER THE REPORTING DATE**

There were no events after the end of the reporting date that might need reporting in these financial statements (2023: same).

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**GPH Securities (Pvt.) Limited**  
**Notes To The Financial Statements**  
For the year ended June 30, 2024

	Note	2024 Rupees	2023 Rupees
<b>26 DATE OF AUTHORIZATION OF ISSUE</b>			
These financial statements were authorized by the board of directors of the Company for issuance on <b>September 14, 2024</b> .			
<b>27 GENERAL</b>			
<ul style="list-style-type: none"><li>- Amounts have been rounded off to the nearest rupee, unless otherwise stated.</li><li>- Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. There was no major reclassification happened during the year that require disclosure.</li></ul>			

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Chief Executive Officer



  
Director